

Company Registration No. 5654335 (England and Wales)

ATLANTIC FRESH LIMITED

**REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2014**

WEDNESDAY



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ATLANTIC FRESH LIMITED

COMPANY INFORMATION

Directors	M Gudmundsson O Jonsson
Secretary	O Jonsson
Company number	5654335
Registered office	Grimsby Fish Market Wharncilffe Road Grimsby DN31 3QJ
Registered auditors	Baker Tilly UK Audit LLP 1st Floor Two Humber Quays Wellington Street West Hull HU1 2BN

ATLANTIC FRESH LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2014

The directors present the strategic report and financial statements for the year ended 31 December 2014.

Review of the business

Turnover has continued to decline in the import of whole fresh fish for auction. More whole fish is now processed in Iceland and this combined with greater supplies from Norway, sold directly and therefore competing with the auction have accounted for this decline. Sales of processed fish products continue to develop on the continent. During October 2014 Mariner Foods Trading Limited began trading, the business being value added fish products.

Future developments

The company continues to work with the catching sector and the major processing plants in Iceland to maintain the current business despite the pressures discussed in the "Review of the Business". Alternative supplies and products have been trialled in conjunction with another group, this venture did not prove successful and a provision on trading loans to the parent company has been made in these accounts. A small part of this business has been acquired through a subsidiary company. This is not expected to have a significant impact on the Group accounts over the next year.

Principal risks and uncertainties

The current trend of reducing supplies to the auction market is the Principal Risk, but may increase the supplies of processed fish products. Management has taken action and reduced costs to mitigate any potential problems.

Key performance indicators

The directors consider the major KPI's to monitor the performance of the company are sales turnover and margin levels, and strict control of our accounts receivable ledgers mainly supported by Credit Insurance.

In addition measures regarding customer satisfaction, product quality and employee safety are regularly reviewed.

On behalf of the board



M Gudmundsson

Director

16 July 2015

ATLANTIC FRESH LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2014

The directors present their report and financial statements for the year ended 31 December 2014.

Principal activities

The principal activity of the company and group during the year was that of fish sales.

Results and dividends

The group's trading profit for the year, after taxation, was £446,365 (2013 profit £616,157).

The directors do not recommend payment of an ordinary dividend.

Future developments

Details of future developments are considered in the Strategic Report.

Directors

The following directors have held office since 1 January 2014:

M Gudmundsson

O Jonsson

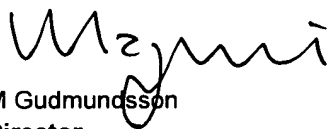
Auditors

Baker Tilly UK Audit LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the group's auditor are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the group's auditors are aware of that information.

On behalf of the board



M Gudmundsson

Director

16 July 2015

ATLANTIC FRESH LIMITED

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

The directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ATLANTIC FRESH LIMITED

We have audited the group and parent company financial statements ("the financial statements") on pages 5 to 22. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As more fully explained in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent company's affairs as at 31 December 2014 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Martin Standish FCA (Senior Statutory Auditor)
for and on behalf of Baker Tilly UK Audit LLP, Statutory Auditor
Chartered Accountants

1st Floor
Two Humber Quays
Wellington Street West
Hull
HU1 2BN
16 July 2015

ATLANTIC FRESH LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	2014 £	2013 £
Turnover	2		
Existing operations		46,350,350	44,701,660
Acquisitions		683,246	-
		<u>47,033,596</u>	<u>44,701,660</u>
Cost of sales		(45,134,181)	(43,159,731)
Gross profit		<u>1,899,415</u>	<u>1,541,929</u>
Administrative expenses (including exceptional items of £461,000)	4	(1,007,300)	(579,864)
Other operating income		4,529	28,389
Operating profit		<u>896,644</u>	<u>990,454</u>
Existing operations		901,194	990,454
Acquisitions		(4,550)	-
		<u>896,644</u>	<u>990,454</u>
Interest receivable and similar income		36,915	3,146
Interest payable and similar charges	5	(25,759)	(17,248)
Profit on ordinary activities before taxation		<u>907,800</u>	<u>976,352</u>
Tax on profit on ordinary activities	8	(322,210)	(286,720)
Profit on ordinary activities after taxation		<u>585,590</u>	<u>689,632</u>
Minority interests		(139,225)	(73,475)
Profit for the financial year	9	<u><u>446,365</u></u>	<u><u>616,157</u></u>

ATLANTIC FRESH LIMITED


STATEMENT OF RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 DECEMBER 2014

	2014	2013
	£	£
Profit for the financial year	446,365	689,632
Currency translation differences on foreign currency net investments	(69,854)	2,087
Total recognised gains and losses relating to the year	<u><u>376,511</u></u>	<u><u>691,719</u></u>

ATLANTIC FRESH LIMITED
BALANCE SHEETS
AS AT 31 DECEMBER 2014

	Notes	Group 2014 £	2013 £	Company 2014 £	2013 £
Fixed assets					
Intangible assets	10	17,833	5,081	-	-
Tangible assets	11	109,377	136,701	102,068	124,617
Investments	12	-	-	23,848	23,748
		<u>127,210</u>	<u>141,782</u>	<u>125,916</u>	<u>148,365</u>
Current assets					
Debtors	13	4,434,317	4,001,200	981,762	1,426,090
Cash at bank and in hand		1,809,836	1,163,331	742,260	566,407
		<u>6,244,153</u>	<u>5,164,531</u>	<u>1,724,022</u>	<u>1,992,497</u>
Creditors: amounts falling due within one year	14	(3,715,716)	(3,122,025)	(300,247)	(615,773)
Net current assets		<u>2,528,437</u>	<u>2,042,506</u>	<u>1,423,775</u>	<u>1,376,724</u>
Total assets less current liabilities		<u>2,655,647</u>	<u>2,184,288</u>	<u>1,549,691</u>	<u>1,525,089</u>
Creditors: amounts falling due after more than one year	15	(56,930)	(65,364)	(56,930)	(65,364)
Provisions for liabilities	16	-	(1,777)	-	(1,777)
Net assets		<u><u>2,598,717</u></u>	<u><u>2,117,147</u></u>	<u><u>1,492,761</u></u>	<u><u>1,457,948</u></u>
Capital and reserves					
Called up share capital	18	500	500	500	500
Other reserves	20	(75,934)	(6,080)	550	550
Profit and loss account	20	2,432,315	1,985,950	1,491,711	1,456,898
Shareholders' funds	21	<u>2,356,881</u>	<u>1,980,370</u>	<u>1,492,761</u>	<u>1,457,948</u>
Attributable to minority interests	19	<u>241,836</u>	<u>136,777</u>	-	-
Total capital employed		<u><u>2,598,717</u></u>	<u><u>2,117,147</u></u>	<u><u>1,492,761</u></u>	<u><u>1,457,948</u></u>

The financial statements on pages 5 to 22 were approved by the Board of Directors and authorised for issue on 16 July 2015 and are signed on its behalf by:



O Jonsson
 Director

ATLANTIC FRESH LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	2014 £	2013 £
Net cash inflow/(outflow) from operating activities	23	555,015	(513,089)
Returns from investment and servicing of finance	23	(23,010)	(29,795)
Taxation		(449,385)	(198,319)
Capital expenditure and financial investment	23	(20,000)	(12,777)
Cash inflow/(outflow) before management of liquid resources and financing		62,620	(753,980)
Financing	23	658,704	1,708,646
Increase in cash in the year		721,324	954,666

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

Increase in cash in the year		721,324	954,666
Net cash outflow from movement in debt		(658,704)	(1,708,646)
Change in net debt resulting from cash flows		62,620	(753,980)
Movement in net debt in the year		62,620	(753,980)
Opening net debt		(620,316)	133,664
Closing net debt	23	(557,696)	(620,316)

ATLANTIC FRESH LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

1 Accounting policies

Basis of accounting

The financial statements are prepared under the historical cost convention.

The directors believe the group has sufficient financial resources to continue to operate within its existing banking facilities, including invoice discounting and bank overdrafts. Therefore it is considered appropriate to prepare the financial statements on a going concern basis.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of Atlantic Fresh Limited and all of its subsidiary undertakings. All financial statements are made up to 31 December 2014. These are adjusted, where appropriate, to conform to group accounting policies. The results of companies acquired or disposed of are included in the profit and loss account after or up to the date that control passes respectively.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

As a consolidated group profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006.

Turnover

Turnover is recognised at the fair value of the consideration received or receivable for the sale of goods and supply of services in the ordinary nature of the business. Turnover is shown net of Value Added Tax.

Goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life of two years.

Patents

Patents are valued at cost less accumulated amortisation. Amortisation is calculated to write off the cost in equal annual instalments over their estimated useful lives.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost of each asset to its estimated residual value on a straight line basis over its expected useful life, as follows:-

Short leasehold property	Ten years
Fixtures, fittings and equipment	Three years
Motor vehicles	Four years

Residual value is calculated on prices prevailing at the date of acquisition.

Impairments of fixed assets

Tangible fixed assets are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable or as otherwise required by relevant accounting standards.

ATLANTIC FRESH LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

1 Accounting policies (Continued)

Investments

Fixed asset investments are stated at cost less provision for diminution in value.

Pensions

The Group operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Foreign currency translation

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

The results of overseas subsidiaries with functional currencies other than in Sterling are translated using the temporal method. Exchange differences arising from retranslation at year end exchange rates of the net investment in foreign subsidiaries are recorded as a separate component of equity.

Government grants

Grants are credited to deferred revenue. Grants towards capital expenditure are released to the profit and loss account over the expected useful life of the assets. Grants towards revenue expenditure are released to the profit and loss account as the related expenditure is incurred.

Financial instruments

Financial instruments are classified and accounted for according to the substance of the contractual arrangement as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

2 Turnover

The total turnover of the group for the year has been derived from its principal activity.

ATLANTIC FRESH LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

2 Turnover (Continued)

Segmental analysis by geographical area

The analysis by geographical area of the group's turnover is set out as below:

	2014 £	2013 £
Geographical segment		
United Kingdom	16,414,157	20,175,812
Europe	30,619,439	24,525,848
	<u>47,033,596</u>	<u>44,701,660</u>

3 Cost of sales and net operating expenses

The total figures for continuing operations in 2014 include the following amounts relating to acquisitions :
cost of sales £649,178 and administrative expenses £38,618.

4 Profit on ordinary activities before taxation	2014 £	2013 £
Profit on ordinary activities before taxation is stated after charging/ (crediting):		
Amortisation of intangible assets	7,248	14
Depreciation of tangible fixed assets		
- owned	27,324	30,479
Government grants	(8,434)	(8,434)
Auditors' remuneration for statutory audit	17,900	17,900
	<u> </u>	<u> </u>

Included in administration expenses are exceptional bad debt provisions of £461,000 (2013 - £nil). The majority of this relates to a provision against amounts due from Sealincs Limited as detailed in note 24.

5 Interest payable and similar charges	2014 £	2013 £
On bank overdrafts	<u>25,759</u>	<u>17,248</u>

ATLANTIC FRESH LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

6 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	2014 Number	2013 Number
Administrative	8	8
Sales	7	8
	<u>15</u>	<u>16</u>

Employment costs

	2014 £	2013 £
Wages and salaries	502,672	418,683
Social security costs	152,221	130,533
Other pension costs	23,816	28,355
	<u>678,709</u>	<u>577,571</u>

7 Directors' remuneration

	2014 £	2013 £
Remuneration for qualifying services	29,648	39,003
Company pension contributions to money purchase pension schemes	-	2,100
	<u>29,648</u>	<u>41,103</u>

The number of directors to whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2013 - 1).

ATLANTIC FRESH LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

8 Tax on profit on ordinary activities	2014 £	2013 £
Current tax		
U.K. corporation tax	(25,775)	99,623
Adjustment in respect of prior years	-	(4,627)
	<u>(25,775)</u>	<u>94,996</u>
Foreign corporation tax		
Foreign corporation tax	349,762	194,759
Total current tax	<u>323,987</u>	<u>289,755</u>
Deferred tax		
Origination and reversal of timing differences	(1,777)	(3,035)
Total tax on profit on ordinary activities	<u><u>322,210</u></u>	<u><u>286,720</u></u>

Factors affecting the tax charge for the year

The tax assessed for the year is higher than the standard rate of corporation tax of 20.00% (2013 - 23.25%). The differences are explained below:

Profit on ordinary activities before taxation	907,800	976,352
	<u>907,800</u>	<u>976,352</u>
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20% (2013 - 23.25%)	181,560	227,002
	<u>181,560</u>	<u>227,002</u>
Effects of:		
Expenses not deductible for tax purposes	3,671	2,714
Depreciation in excess of capital allowances	2,006	2,999
Marginal relief and other differences in tax rates	(4,744)	(2,521)
Adjustments to previous periods	-	(4,627)
Difference in rate between UK and foreign tax	140,584	64,071
Other short term timing differences	910	117
	<u>142,427</u>	<u>62,753</u>
Current tax charge for the year	<u><u>323,987</u></u>	<u><u>289,755</u></u>

9 Profit attributable to members of the parent company	2014 £	2013 £
Dealt with in the financial statements of the parent company	<u>34,813</u>	<u>390,053</u>

ATLANTIC FRESH LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

10 Intangible fixed assets Group

	Patents £	Goodwill £	Total £
Cost			
At 1 January 2014	8,606	-	8,606
Additions	-	20,000	20,000
At 31 December 2014	8,606	20,000	28,606
Amortisation			
At 1 January 2014	3,525	-	3,525
Charge for the year	5,081	2,167	7,248
At 31 December 2014	8,606	2,167	10,773
Net book value			
At 31 December 2014	-	17,833	17,833
At 31 December 2013	5,081	-	5,081

11 Tangible fixed assets

Group

	Short leasehold property £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
Cost				
At 1 January 2014	120,249	43,385	40,021	203,655
Disposals	-	(911)	-	(911)
At 31 December 2014	120,249	42,474	40,021	202,744
Depreciation				
At 1 January 2014	15,032	23,992	27,930	66,954
On disposals	-	(911)	-	(911)
Charge for the year	12,025	9,978	5,321	27,324
At 31 December 2014	27,057	33,059	33,251	93,367
Net book value				
At 31 December 2014	93,192	9,415	6,770	109,377
At 31 December 2013	105,217	19,393	12,091	136,701

ATLANTIC FRESH LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

11 Tangible fixed assets (Continued)

Tangible fixed assets

Company

	Short leasehold property £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
Cost				
At 1 January 2014 & at 31 December 2014	120,249	19,734	34,597	174,580
Depreciation				
At 1 January 2014	15,032	9,311	25,620	49,963
Charge for the year	12,025	6,586	3,938	22,549
At 31 December 2014	27,057	15,897	29,558	72,512
Net book value				
At 31 December 2014	93,192	3,837	5,039	102,068
At 31 December 2013	105,217	10,423	8,977	124,617

12 Fixed asset investments

Company

	Shares in group undertakings £
Cost	
At 1 January 2014	23,748
Additions	100
At 31 December 2014	23,848
Net book value	
At 31 December 2014	23,848
At 31 December 2013	23,748

In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet.

ATLANTIC FRESH LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

12 Fixed asset investments (Continued)

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Shares held	
		Class	%
Subsidiary undertakings			
SAS Atlantic Fresh Europe	France	Ordinary shares	80.00
Mariner Foods Trading Limited	England and Wales	Ordinary shares	100.00

The principal activity of these undertakings for the last relevant financial year was as follows:

	Principal activity
SAS Atlantic Fresh Europe	Fish sales
Mariner Foods Trading Limited	Fish sales

During the year the Company acquired 100% of the called up ordinary share capital of Mariner Food Trading Limited for a consideration of £100. Mariner Food Trading Limited has been accounted for using the acquisition method of accounting.

13 Debtors

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Trade debtors	3,707,786	2,949,348	285,731	555,378
Amounts owed by group undertakings	-	-	289,465	168,682
Corporation tax	30,150	-	30,150	-
Other debtors	675,628	1,039,745	370,504	698,793
Prepayments and accrued income	20,753	12,107	5,912	3,237
	<u>4,434,317</u>	<u>4,001,200</u>	<u>981,762</u>	<u>1,426,090</u>

Amounts falling due after more than one year and included in the debtors above are:

	2014	2013	2014	2013
	£	£	£	£
Other debtors	<u>-</u>	<u>290,000</u>	<u>-</u>	<u>290,000</u>

ATLANTIC FRESH LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

14 Creditors : amounts falling due within one year

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Bank overdrafts	182	75,001	-	-
Invoice discount finance facility	2,367,350	1,708,646	-	-
Trade creditors	631,948	502,439	55,789	125,663
Corporation tax	-	95,248	-	95,248
Taxation and social security costs	421,915	337,302	9,833	10,033
Other creditors	194,100	228,035	174,491	209,475
Accruals and deferred income	100,221	175,354	60,134	175,354
	<u>3,715,716</u>	<u>3,122,025</u>	<u>300,247</u>	<u>615,773</u>

The bank overdrafts are secured by a fixed charge over book and other debts both present and future and a first floating charge over all assets both present and future.

The invoice discount financing of £2,367,350 (2013 - £1,708,646) is secured on debtors of £3,030,870 (2013 - £2,393,970). The group has also provided a guarantee to the factors as disclosed in note 22.

15 Creditors : amounts falling due after more than one year

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Accruals and deferred income	<u>56,930</u>	<u>65,364</u>	<u>56,930</u>	<u>65,364</u>

16 Provisions for liabilities Group

	Deferred taxation £
Balance at 1 January 2014	1,777
Profit and loss account	(1,777)
Balance at 31 December 2014	<u>-</u>
Company	
Balance at 1 January 2014	1,777
Profit and loss account	(1,777)
Balance at 31 December 2014	<u>-</u>

ATLANTIC FRESH LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

16 Provisions for liabilities (Continued)

Deferred tax is provided as follows:

	Group 2014 £	2013 £	Company 2014 £	2013 £
Accelerated capital allowances	-	2,377	-	2,377
Other timing differences	-	(600)	-	(600)
	<u>-</u>	<u>1,777</u>	<u>-</u>	<u>1,777</u>

17 Retirement Benefits

Defined contribution scheme

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund.

	2014 £	2013 £
Contributions payable by the group for the year	<u>23,816</u>	<u>28,355</u>

18 Share capital

Allotted, called up and fully paid
500 Ordinary shares of £1 each

2014 £	2013 £
<u>500</u>	<u>500</u>

19 Minority interests

Minority interests' share of net assets and liabilities in subsidiary undertakings

2014 £	2013 £
<u>241,836</u>	<u>136,777</u>

ATLANTIC FRESH LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

20 Reserves Group

	Other reserves (see below) £	Profit and loss account £
Balance at 1 January 2014	(6,080)	1,985,950
Profit for the year	-	446,365
Foreign currency translation differences	(69,854)	-
Balance at 31 December 2014	<u>(75,934)</u>	<u>2,432,315</u>

Other reserves

Capital redemption reserve

Balance at 1 January 2014 & at 31 December 2014

550

Other reserves

Balance at 1 January 2014

(6,630)

Currency translation reserve

(69,854)

Balance at 31 December 2014

(76,484)

Other reserves consists of a Legal Reserve of £3,106 (2013 - £3,427) and a Foreign Currency Exchange Reserve of £79,590 (2013 - £10,057). The movements being differences on foreign currency translation.

Company

	Other reserves (see below) £	Profit and loss account £
Balance at 1 January 2014	550	1,456,898
Profit for the year	-	34,813
Balance at 31 December 2014	<u>550</u>	<u>1,491,711</u>

Other reserves

Capital redemption reserve

Balance at 1 January 2014 & at 31 December 2014

550

ATLANTIC FRESH LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

21 Reconciliation of movements in shareholders' funds	2014	2013
Group	£	£
Profit for the financial year	446,365	616,157
Foreign exchange translation differences	(69,854)	2,087
Net addition to shareholders' funds	376,511	618,244
Opening shareholders' funds	1,980,370	1,362,126
Closing shareholders' funds	2,356,881	1,980,370

Company	2014	2013
	£	£
Profit for the financial year	34,813	390,053
Opening shareholders' funds	1,457,948	1,067,895
Closing shareholders' funds	1,492,761	1,457,948

22 Contingent liabilities

Group

The group is party to a guarantee of €50,000 (2013 - €50,000).

The group is party to a guarantee to the factors of SAS Atlantic Fresh Europe of €318,000 (2013 - €238,000).

Company

The company has given indemnities to its bankers in respect of guarantees, given in the normal course of trading, to third parties amounting to £160,000 (2013: £160,000).

23 Notes to the cash flow statement

Reconciliation of operating profit to net cash inflow/(outflow) from operating activities	2014	2013
	£	£
Operating profit	896,644	990,454
Depreciation of tangible assets	27,324	30,479
Amortisation of intangible assets	7,248	14
Decrease/(increase) in stocks	-	63,667
Increase in debtors	(402,967)	(637,672)
Increase/(decrease) in creditors	105,054	(953,684)
Net effect of foreign exchange differences	(69,854)	2,087
Release of deferred capital grants	(8,434)	(8,434)
Net cash inflow/(outflow) from operating activities	555,015	(513,089)

ATLANTIC FRESH LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

23 Notes to the cash flow statement (Continued)

Analysis of cash flows for headings netted in the cash flow statement

	2014 £	2013 £
Returns on investments and servicing of finance		
Interest received	36,915	3,146
Interest paid	(25,759)	(17,248)
Dividends paid to minority interests	(34,166)	(15,693)
Net cash outflow for returns on investments and servicing of finance	<u>(23,010)</u>	<u>(29,795)</u>
Capital expenditure and financial investment		
Purchase of intangible assets	(20,000)	(5,095)
Purchase of tangible assets	-	(7,682)
Net cash outflow from capital expenditure & financial investment	<u>(20,000)</u>	<u>(12,777)</u>
Financing		
Increase on invoice finance facility	658,704	1,708,646
Net cash inflow from financing	<u>658,704</u>	<u>1,708,646</u>

Analysis of net debt

	1 January 2014 £	Cash flow £	Other non- cash changes £	31 December 2014 £
Net cash:				
Cash at bank and in hand	1,163,331	646,505	-	1,809,836
Bank overdrafts	(75,001)	74,819	-	(182)
	<u>1,088,330</u>	<u>721,324</u>	<u>-</u>	<u>1,809,654</u>
Debt:				
Debts falling due within one year	(1,708,646)	(658,704)	-	(2,367,350)
Net debt	<u>(620,316)</u>	<u>62,620</u>	<u>-</u>	<u>(557,696)</u>

ATLANTIC FRESH LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

24 Related party relationships and transactions

Group

Other debtors includes £130,216 (2013 - £175,791) due from FCH Holding, a company of which F Hartmann, a director of SAS Atlantic Fresh Europe, is a shareholder. Management fees of £205,500 (2013 - £138,333) were paid to FCH Holding during the year and £20,850 (2013 - £nil) is included in other debtors.

Company

During the year Atlantic Fresh Limited made sales to SAS Atlantic Fresh Europe totaling £2,982,211 (2013 - £11,658,955). The amounts owing to Atlantic Fresh Limited at 31 December 2014 were £46,959 (2013 - £168,682).

SAS Atlantic Fresh Europe paid a dividend to Atlantic Fresh Limited of £140,800 (2013 - £67,797).

During the year Atlantic Fresh Limited made sales to Mariner Foods Trading Limited totaling £317,146 (2013 - £nil). The amounts owing to Atlantic Fresh Limited at 31 December 2014 were £242,506 (2013 - £nil).

Cost of sales includes management charges and other commissions payable to companies owned by directors of this company as follows:

For the services of O Jonsson	£180,400 (2013 - £148,150)
For the services of M Gudmundsson	£180,400 (2013 - £181,069)

Included in creditors are £nil (2013 - £53,630) for the services of M Gudmundsson and £nil (2013 - £53,630) for the services of O Jonsson.

Included in other operating income are the following amounts received from companies in which O Jonsson is a director and shareholder:

Mariner Foods Limited	£nil (2013 - £22,000)
Norstar Trading Limited	£nil (2013 - £1,100)

Sales to Mariner Foods Limited in the year amounted to £531,201 (2013 - £968,839). The debtor at the year end is £288,525 (2013 - £210,862). A doubtful debt provision of £180,686 (2013 - £156,686) has been included against this amount.

Other debtors includes a loan of £nil (2013 - £25,300) to Atlantic Vision Limited, a company in which M Gudmundsson is a director and M Gudmundsson and O Jonsson are shareholders.

Other debtors includes £nil (2013 - £290,000) due from Sealincs Limited, a company in which O Jonsson is a director and shareholder. During the year a further loan of £200,000 was made and a provision for a bad debt of £490,000 (2013 - £nil) was included against these amounts.